

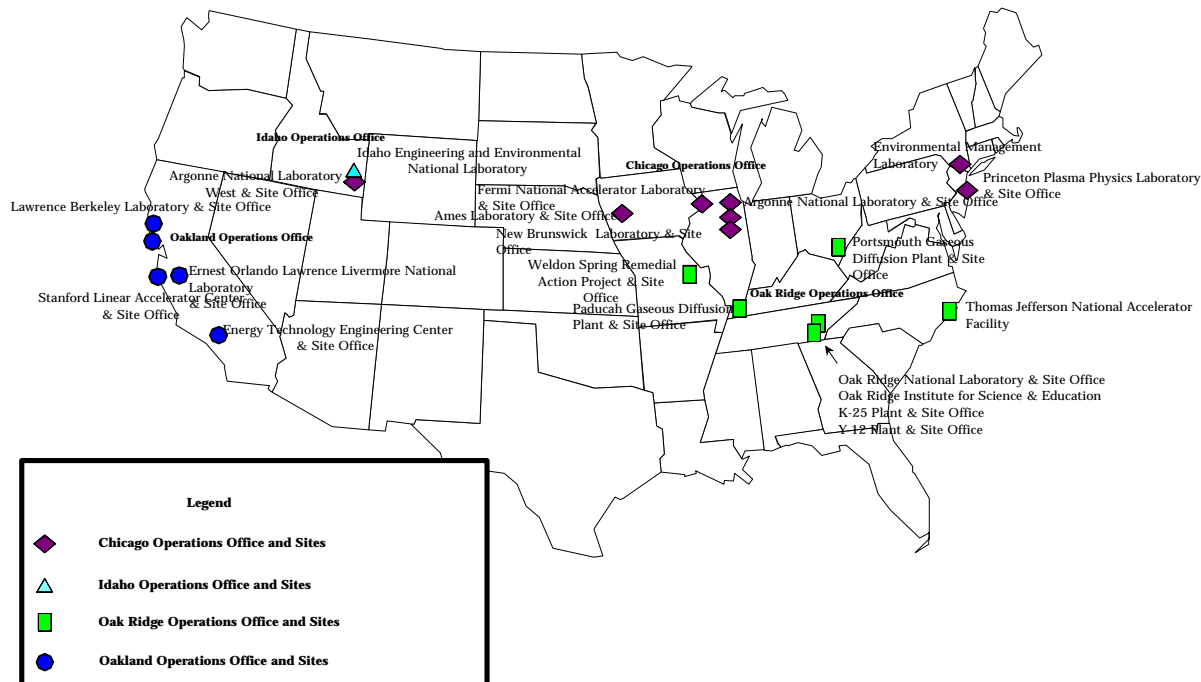
DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET
ENERGY SUPPLY, RESEARCH AND DEVELOPMENT
FIELD OPERATIONS

EXECUTIVE BUDGET SUMMARY

Mission:

The Field Operations account provides support for the four Multi-Purpose Operations Offices: Chicago, Idaho, Oak Ridge and Oakland. These Operations Offices provide centralized managerial, administrative, and technical support to the programmatic activities at their respective sites and nineteen laboratories and facilities nationwide.

Multi-Purpose Operations Offices



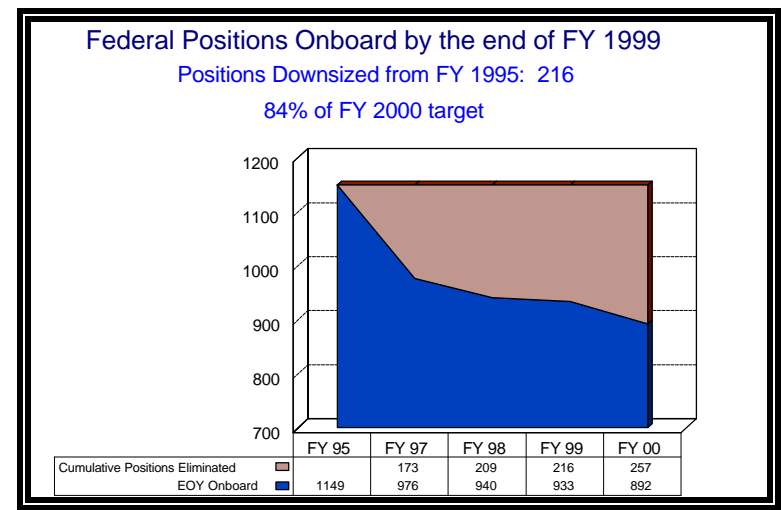
Strategy:

The Field Operations account provides resources to manage the Department's programmatic activities, execute administrative and fiduciary responsibilities, and provide technical oversight at the four multi-purpose operations offices and the nineteen laboratories and facilities under their purview. There is a broad range of functions performed which supports the programmatic missions of Defense Programs, Energy Efficiency and Renewable Energy, Energy Research, Environmental Management, Fossil Energy, Nuclear Energy, Nonproliferation and National Security, Uranium Enrichment, and Work for Others. As on-site agents, the business and technical functions involving the industrial and research facilities nationwide are provided to support the Department's science & technology, national security, energy research, and environmental missions.

The major service responsibilities include Financial Stewardship, Personnel Management, Procurement and Acquisition Management, Regulatory Management, Asset Management, and Technical Support. Specifically, this budget supports site-wide budget formulation and accounting administration, contract and procurement execution, human resources, labor relations, legal counsel, public and congressional affairs, patent and legal service, environmental compliance, infrastructure operations and maintenance, and information systems development and operations. These services are required to: support the Department's mission; proactively focus on reducing costs through consolidation and reengineered processes; and, conform with strategic alignment and acquisition initiatives.

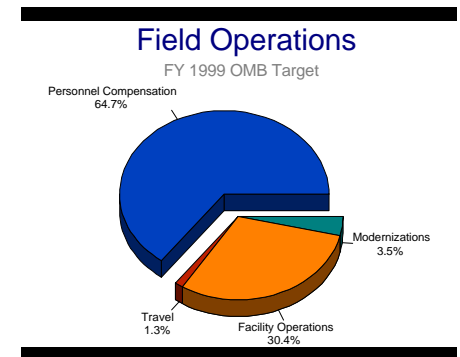
The Department has consolidated the execution of accounting functions and grants administration by establishing consolidated Centers of Excellence. Three of these Centers, one accounting and two for grants, are funded by Field Operations. Major efforts are ongoing to acquire and/or upgrade the systems technology infrastructure to: facilitate mass storage and retrieval; consolidate the financial and contractual databases to support the satellite clients; and, assure timely payments to the Department's vendors, contractors, and the general public.

As the Department continues to downsize federal employment under the Strategic Alignment Initiative, 216 federal positions (84% of the 257 positions scheduled to be abolished by the end of FY 2000 in this account) will have been eliminated from Field Operations by the end of FY 1999. In total, the field offices will have reduced staffing in the account by 22.3% by the end of FY 2000. Programs designed to encourage training development and career transition will continue to be supported to resolve skill-mix and redeployment issues. Several systems automation techniques and initiatives are being employed among the offices to balance the workload, one of which is the implementation of an on-line Corporate Human Resource Management system (CHRIS) that reduces personnel cycle time by 10 percent. CHRIS also provides the Department with a single information processing system which support Department-wide corporate analysis of human resource issues. Additionally, plans are being initiated to relinquish, renovate, and consolidate rental space occupancy to adhere to health and safety requirements while effecting recurring long term savings.



Under contract reform, the Department continues to improve contractual practices through increased competition, use of performance-based contracts, and greater contractor accountability. The implementation of this ongoing initiative at the four offices is achieved by the procurement and contract administration staff within Field Operations. As new management and operating contracts are initiated, or existing ones extended or competed, they will be or converted to performance-based. Innovative techniques in the solicitation, negotiation, award, and closeout processes will also be used to streamline and simplify procurement transactions.

Sixty-five percent of the account pays for the federal staff to render the services mentioned above. The remainder includes 32 percent that encompasses the operational costs associated with running the offices and 3 percent for major repairs that are required. The operational costs include the rent, utilities, telecommunications, printing and reproduction, management information systems support, and other related logistics and facility support services for their respective sites. Generally speaking, these costs are fixed in the short run and cannot be reduced without immediately affecting the ability of the Operations Offices to efficiently carry out their mission.



Major Changes:

- ▶ Privatization is a contracting strategy being implemented within the Department. This initiative will necessitate special attention in procurement and contractual execution, legal services administration, and systems development and costs and pricing methodology areas.
- ▶ Waste Minimization is an approach that is focused on preventing the generation and release of wastes and pollutants into the environment and concentrating on public and worker safety. As a result, there is an increase in environmental, safety and health monitoring and property/facility management technical expertise is required.
- ▶ The initial phases of establishing Centers of Excellence, one accounting and two for grants, are complete. Computer automation, systems maintenance and technical expertise, and interfaces with modern technology are critical to the successful execution of these Centers while assuring that future planned phases and the cost savings the initiative expected are achieved. Resources must be available so as not to diminish customer service to the servicing clients or delay payments to the Department's vendor, contractors, or the general public.
- ▶ In view of the dynamic technological information systems currently being employed to link remote sites and improve information dissemination and communications, the requirement for upgraded equipment and software is becoming critical. Productivity gains made by the using World Wide Web and new software will not be an option with outdated equipment. In order for the field to efficiently operate in this rapidly changing environment, and perform as consolidated Centers of Excellence, resources have been included in the FY 1999 budget to ensure integration with new and modern technology standards and configurations being adopted by the Department. These upgrades are essential to enhancing electronic transfer of data which will reduce administrative costs while increasing productivity.

Major Issues

The FY 1999 request enables the four operations offices to support the operational requirements associated with running an office and sustain the required staffing level, consistent with the Department's strategic plan, without compromising skill-mix deficiencies in integrated safety, fiduciary compliance, intellectual property, contractor oversight, and emergency management response. It also includes funding to engage in major facility refurbishment and modernizations that are projected to net annual savings, take advantage of technological developments and install the architecture necessary to bridge the gap between the Headquarters and Field management information systems, replace aged and obsolete equipment, initiate preventive repairs, and execute other Departmental initiatives designed to achieve savings through economies of scale, e.g., electronic administration, consolidated centers of excellence, contract reform, privatization, and good management practice implementation. The core funding requirements are outlined in the table below:

FIELD OPERATIONS

(dollars in thousands)

<i><u>Funding Requirements:</u></i>	<i><u>Amount</u></i>
FY 1998 Appropriation	\$95,000
Reduction in Federal Staff (savings)	(\$1,143)
Salary Pay Raise	\$2,846
Facility Operations (Inflation, contract mandated increases, and special skills acquisition)	\$2,340
Anomalies:	
GSA Rent Increase at Oakland	\$1,105
Regional Utility Inflation at Oak Ridge 5.5%	<u>\$693</u>
FY 1999 Base Requirements	\$100,841
<i><u>Modernizations:</u></i>	
Office Space Refurbishments at Oak Ridge to achieve a net annual savings of \$500,000	\$2,890
Purchase Computer Servers at Oak Ridge and Oakland	\$300
Replace Computer Hardware at Chicago	\$337
Upgrade Computer Hardware/Software at Oakland	<u>\$173</u>
FY 1999 Congressional Budget Request	<u>\$104,541</u>

Reductions imposed to this account will preempt the major refurbishment and desperately needed information systems upgrades. Further reductions will cause resource competition between federal staffing and meeting operational needs which ultimately disrupt the level of services provided,

increase skill mix problems, and heighten support service employee turnover, all of which adversely impacts programmatic and mission performance.

Site Funding and Federal Staffing Profile:

Sub-program	Field Operations Program Funding Profile (dollars in thousands)				
	FY 1997 Current Appropriation	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Current Appropriation	FY 1999 Request
Field Operations	\$98,400	\$95,000	(\$211)	\$94,789	\$104,541
Subtotal, Field Operations	\$98,400	\$95,000	(\$211)	\$94,789	\$104,541
Adjustments	\$0	\$0	\$0	\$0	\$0
TOTAL, Field Operations	\$98,400	\$95,000	(\$211)	\$94,789	\$104,541

Performance Measures:

The Field Operations' performance goals can be grouped into three categories: Management Practices, Contract Management, and Facility Management. Under Management Practices, new initiatives will be pursued to enhance and streamline the way the Department's business is conducted, achieve savings, and continue personnel development. Under Contract Management, business management strategies and innovative contracting approaches will be employed to exercise privatization opportunities, negotiate or convert contracts to a performance-basis, or streamline the procurement processes to emphasize results and contractor accountability and maximize the use of resources. Under Facility Management, the focus is centered around operating environmentally sound and safe workplaces that are cost effective. In FY 1999 the following items will be achieved. Specifically,

Management Practices:

- Complete financial system database consolidation for all Oak Ridge Financial Service Center satellite clients.
- Support continuous infrastructure needs with respect to software and hardware requirements of emerging technologies.
- Administer Grants Centers of Excellence at Chicago and Oakland.
- Acquire and install software and hardware upgrades for expanded application and end-user productivity and a full interface with standard corporate systems.
- Eliminate single point local area network computer server failure by installing hardware that supports real time processing, records

maintenance, and data integrity.

Contract Management:

- Determine whether to extend or compete the management and operating contractor at the Idaho National Engineering and Environmental Laboratory.
- Increase the number of Cooperative Research and Development Agreements by 20 and establish 6 new regional start-up companies.
- Recompete the management contracts with Lockheed Martin Energy Systems for Y-12 and with Lockheed Martin Energy Research.

Facility Management:

- Initiate final design of the Mixed Oxide Fuel Fabrication Facility.
- Begin Nuclear Regulatory Commission licensing of the Commercial Light Water Reactor.
- Continue to reduce contractor facility overhead rates.
- Initiate heating, ventilation, and air conditioning system replacement and elevator upgrades to the Federal Building in Oak Ridge, Tennessee to comply with air quality standards and minimize potential safety risks.
- Complete renovations to facilities in Oak Ridge, Tennessee thereby relinquishing leased space and netting an estimated operating savings of \$500,000 annually.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL REQUEST
ENERGY SUPPLY, RESEARCH AND DEVELOPMENT
FIELD OPERATIONS

PROGRAM MISSION

The Field Operations account provides support for the four Multi-Purpose Operations Offices: Chicago, Idaho, Oak Ridge and Oakland. These Operations Offices provide centralized managerial, administrative, and technical support to the programmatic activities at their respective sites and nineteen laboratories and facilities nationwide.

In conformance with the Department's Strategic Plan, the GOALS of Field Operations are to:

- ▶ Centralize resource management of the Department's multi-purpose activities;
- ▶ Align resources to save money and enhance performance;
- ▶ Improve contractor performance and accountability; and
- ▶ Provide infrastructure support.

The related OBJECTIVES are through:

- ▶ Reengineered Management Practices for human resource alignment, integrated information systems, and daily operations;
- ▶ Application of innovative Contract Management techniques and performance-based initiatives; and
- ▶ Facility Management focused on ensuring environmentally safe workplaces for the public and human resources.

Major Accomplishments in FY 1997:

Management Practices:

- Converted to the CHRIS corporate online human resource system at Chicago.
- Established two Centers of Excellence for Grants Program at Chicago and Oakland.
- Established a Financial Accounting Center of Excellence at Oak Ridge.
- Consolidated the payment activity and transferred the function from satellite clients to Oak Ridge.
- Completed satellite financial systems database at Oak Ridge.
- Initiated one financial systems database consolidation for a satellite at Oak Ridge.
- Completed the initial relocation phase of Oak Ridge personnel to non-leased permanent space.
- Completed phase I space consolidation to reduce occupancy by 11,000 square feet at Oakland.

- Completed the modernization of a central Business Management Information System for the Idaho Operations Office. The system will expand Idaho's competitiveness in the commercial sector and ensure the efficiency of complex operations in environmental restoration.

Contract Management:

- Received and evaluated utility proposals for Commercial Light Water Reactor to produce tritium.
- Competed the award of a new contractor for Brookhaven National Laboratory, per Secretarial direction.
- Extended the University of California contract for Oakland.
- Issued request for proposals for Mixed Oxide Fuel Program.
- Extended the management contracts with Lockheed Martin Energy Systems.
- At Idaho, entered into 15 additional Cooperative Research and Development Agreements and involve \$15 million partner funding.
- At Idaho, entered into 20 new License agreements.

Facility Management:

- Site specific initiative, reduced laboratories' indirect expenses by approximately 5%.
- Provided infrastructure to establish the Ripken Institute at Brookhaven National Laboratory, the largest physics institute in the US focusing on physics associated with the Relativistic Heavy Ion Collider.
- Negotiated the leases of surplus Oak Ridge facilities/land at the K-25 site to the private sector.
- Initiated the implementation of Integrated Safety Management System.
- Completed Environmental, Safety and Health Oversight Pilot at Oak Ridge National Laboratory.
- Completed the process improvements for performance assessment of environmental, safety and health at Lawrence Berkeley National Laboratory.
- Removed and disposed of legacy radioactive waste left over from the University of California at Los Angeles management and operating contract and shifted to Hanford for disposal.
- Closed the remaining EH-24 Environmental Compliance Audit Corrective Actions at Oakland.

Measurable Accomplishments in FY 1998:

Management Practices:

- Continue financial systems database consolidation for other Oak Ridge satellite clients.
- Complete the relocation of all Oak Ridge personnel to non-leased permanent space.
- Implement the use of TeleVideo communication through personal computers at Oak Ridge.
- Implement an automated small purchase system, electronic commerce, at Chicago.
- Complete Phase II space consolidation to reduce occupancy by 9,000 square feet at Oakland and relinquish GSA Warehouse in San Bruno, California.
- Migrate Oakland's financial systems data to the Albuquerque Financial Accounting Center of Excellence.
- Develop enhanced intellectual property utilization activities and outreach.

Contract Management:

- Award one or more contracts for the production of tritium.
- Award a performance-based contract for management and operation at Brookhaven National Laboratory.
- Select one contractor to perform work in the Mixed Oxide Fuel Program.
- Complete conceptual design for the Mixed Oxide Fuel Program.
- Extend management contracts with Lockheed Martin Energy Systems for Y-12 and Lockheed Martin Energy Research.
- At Idaho, oversee M&O contractor activities to ensure a reduction in support costs of 13%.
- Provide a recommendation to the Secretary to extend or compete the Idaho National Engineering and Environmental Laboratory prime contract.
- Extend the Lawrence Berkeley National Laboratory contract.
- Negotiate systems oriented environmental, safety and health performance measures into Lawrence Berkeley National Laboratory contract.

Facility Management:

- Continue to reduce contractor facility overhead rates at Chicago.
- Improve contractor facility utilization at Chicago.
- Continue Nuclear Materials management, control and accountability efforts, both foreign and domestic reconciliation.
- Provide technical experts for review of construction activities and final safety approval for the National Ignition Facility.
- Complete Technical Qualification training for 23 environmental, safety and health personnel at Oakland.
- Complete National Tritium Labeling Facility Independent Monitoring Assessment.

Measurable Accomplishments in FY 1999:

Management Practices:

- Complete financial system database consolidation for all Oak Ridge Financial Service Center satellite clients.
- Support continuous infrastructure needs with respect to software and hardware requirements of emerging technologies.
- Administer Grants Centers of Excellence at Chicago and Oakland.
- Acquire and install software and hardware upgrades for expanded application and end-user productivity and a full interface with standard corporate systems.
- Eliminate single point local area network computer server failure by installing hardware that supports real time processing, records maintenance, and data integrity.

Contract Management:

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Facility Management:

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- Continue to reduce contractor facility overhead rates.
- Initiate heating, ventilation, and air conditioning system replacement and elevator upgrades to the Federal Building in Oak Ridge, Tennessee to comply with air quality standards and minimize potential safety risks.
- Complete renovations to facilities in Oak Ridge, Tennessee to allow relinquishing leased space and netting an estimated operating savings of \$500,000 annually.

Program Funding Profiles:

FIELD OPERATIONS

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Program Funding by Site:

FIELD OPERATIONS

	FY 1997 Current Appropriation	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Current Appropriation	FY 1999 Request
Chicago Operations Office	\$24,988	\$24,671	\$0	\$24,671	\$25,687
Idaho Operations Office	\$18,620	\$17,791	(\$115)	\$17,676	\$19,127
Oak Ridge Operations Office	\$33,606	\$32,550	(\$11)	\$32,539	\$37,810
Oakland Operations Office	\$21,186	\$19,988	(\$85)	\$19,903	\$21,917
Subtotal, Program Direction	\$98,400	\$95,000	(\$211)	\$94,789	\$104,541
Adjustments	\$0	\$0	\$0	\$0	\$0
TOTAL, Program Direction	\$98,400	\$95,000	(\$211)	\$94,789	\$104,541
Full Time Equivalents	976	958		958	938

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL REQUEST
ENERGY SUPPLY, RESEARCH AND DEVELOPMENT

FIELD OPERATIONS

PROGRAM PERFORMANCE SUMMARY

I. Mission Supporting Goals/Ongoing Responsibilities:

Field Operations is the program direction account that provides support for the four Multi-Purpose Operations Offices: Chicago, Idaho, Oak Ridge and Oakland. These Operations Offices provide centralized managerial, administrative, and technical support to the programmatic activities at their respective sites and nineteen laboratories and facilities nationwide.

Program Direction has been grouped into four categories:

Salaries and Benefits provides funds for institutional management and/or matrix support of the programmatic mission and support of all programs under the purview of the four field offices: resource management, infrastructure requirements, and project and facilities management:

- ▶ Included are salary and benefits for full-time and temporary employees, the Department's contribution for FICA, unemployment and workmen's compensation, health benefits, thrift savings plan, awards, overtime, and permanent change in station moving expenses.
- ▶ Travel fund provides the field offices the opportunity to participate on task teams, work various issues and formulate policy at headquarters, and conduct compliance reviews and contractor oversight to ensure implementation of DOE orders and regulatory requirements at the facilities under their purview. It also provides for attendance at conferences and training classes, and permanent change of station relocation.
- ▶ Support Services provides funds for the day-to-day management information systems operations; computer security, programming, and systems design; mail services; ground and facility maintenance and other administrative activities in support of the Operations Offices included in this account.
- ▶ Other Related Expenses provide funds for rent; utilities; telecommunication; postage; printing; reproduction; building operations; logistical services; automated data processing development and acquisition; employee development and training; health services; shipment and storage household goods; supplies; furniture, vehicles, office equipment maintenance; and capital equipment.

II. Funding Schedule:

	FY 1997 Appropriation	FY 1998 Appropriation	FY 1999 Request
Chicago			
Salary & Benefits	\$18,176	\$18,605	\$18,592
Travel	\$460	\$500	\$460
Support Services	\$1,800	\$1,945	\$2,086
Other Related Expenses	\$4,552	\$3,621	\$4,549
Total	\$24,988	\$24,671	\$25,687
Full Time Equivalents	267	259	250
Idaho			
Salary & Benefits	\$8,710	\$9,146	\$9,410
Travel	\$390	\$375	\$345
Support Services	\$720	\$1,150	\$1,000
Other Related Expenses	\$8,800	\$7,120	\$8,372
Total	\$18,620	\$17,791	\$19,127
Full Time Equivalents	130	130	130
Oak Ridge			
Salary & Benefits	\$23,824	\$24,641	\$25,830
Travel	\$342	\$306	\$300
Support Services	\$2,500	\$2,293	\$2,500
Other Related Expenses	\$6,940	\$5,310	\$9,180
Total	\$33,606	\$32,550	\$37,810
Full Time Equivalents	373	368	361

	FY 1997 Appropriation	FY 1998 Appropriation	FY 1999 Request		
Oakland					
Salary & Benefits	\$14,560	\$13,589	\$13,852		
Travel	\$260	\$200	\$300		
Support Services	\$2,220	\$2,278	\$2,597		
Other Related Expenses	\$4,146	\$3,921	\$5,168		
Total	\$21,186	\$19,988	\$21,917		
Full Time Equivalents	206	201	197		
Total, Field Operations				\$ Change	% Change
Salary & Benefits	\$65,270	\$65,981	\$67,684	\$1,703	3%
Travel	\$1,452	\$1,381	\$1,405	\$24	2%
Support Services	\$7,240	\$7,666	\$8,183	\$517	6%
Other Related Expenses	\$24,438	\$19,972	\$27,269	\$7,297	27%
Total	\$98,400	\$95,000	\$104,541	\$9,541	9%
Full Time Equivalents	976	958	938		

Support Services

	FY 1997 (\$000)	FY 1998 (\$000)	FY 1999 (\$000)	FY 1999/FY 1998 Change (\$000)
Support Services				
Technical Support Services				
Feasibility of Design considerations	\$0	\$0	\$0	\$0
Test and Evaluation Studies	\$0	\$0	\$0	\$0
Economic and Environmental Analysis	\$510	\$600	\$600	\$0
Sub-Total	\$510	\$600	\$600	\$0
Management Support Services				
Administrative	\$1,750	\$2,604	\$2,027	(\$577)
ADP Support	\$4,980	\$4,462	\$5,556	\$1,094
Sub-Total	\$6,730	\$7,066	\$7,583	\$517
Total Support Services	\$7,240	\$7,666	\$8,183	\$517

Other Related Services

	FY 1997 (\$000)	FY 1998 (\$000)	FY 1999 (\$000)	FY 1999/FY 1998 Change (\$000)
Other Related Expenses				
Training	\$969	\$901	\$942	\$41
Printing/Reproduction	\$677	\$596	\$596	\$0
Rent & Utilities & Telecommunications	\$10,301	\$10,156	\$12,277	\$2,121
Information Technology	\$3,433	\$2,945	\$4,476	\$1,531
A&E Contractor Support	\$0	\$0	\$0	\$0
Other	\$9,082	\$5,374	\$8,978	\$3,604
Total Obligational Authority	\$24,462	\$19,972	\$27,269	\$7,297
Use of Prior Year Balances	\$0	\$0	\$0	\$0
Total Budget Authority	\$24,462	\$19,972	\$27,269	\$7,297

Explanation of Funding Changes:

- Personnel Compensation and benefits reflects an increase of \$1,703,000 associated with the pay raise and promotion allowances for 938 Full Time Equivalents.
- Travel increases by 2%, \$24,000, associated with inflation.
- Support Services shows a net increase of \$517,000 resulting from the need for more technical information systems expertise in architecture designs, communications, and automated processes.
- Other Related Expenses increased by \$7,297,000 based on the following:
 - a \$41,000 decrease in training;
 - a \$2,121,000 increase that is indicative of a 25% increase in the GSA rent at Oakland (\$1,105,000), a 5.5% locality increase for utilities and building maintenance at Oak Ridge (\$693,000), and rent adjustments (\$323,000);
 - a \$1,613,000 increase which reflects the Department's commitment to acquire the necessary hardware, software, computer servers, and equipment upgrades critical to the success of the Centers of Excellence execution and interface with modern technology standards;
 - a \$3,604,000 increase that supports facility modernization efforts including:
 - o \$2,890,500 to convert facility warehouse space for office use, upgrade antiquated elevators and air conditioning systems, release leased accommodations, and realize estimated annual operating costs savings of \$500,000.

The following will be completed by the end of 1999, specifically:

HVAC Upgrades to the Oak Ridge, Tennessee Federal Building - \$1,138,500

Elevator Upgrades to the Oak Ridge, Tennessee Federal Building - \$507,000

Renovate 1916 T-2 to accommodate DOE/ORO consolidation - \$100,000

Convert 30,000 square feet of warehouse space at 1916-T-1 - \$400,000

Convert special use space for office use at 1916-T2 - \$450,000

Design specifications for above - \$295,000

- o \$713,500 in general building operations, i.e., supplies and materials, capital equipment, telecommunication infrastructure, and vehicle acquisitions.